



**DEPARTMENT OF THE TREASURY
Office of the Comptroller of the Currency**

FEDERAL RESERVE SYSTEM

FEDERAL DEPOSIT INSURANCE CORPORATION

**Agency Information Collection Activities: Submission for OMB Review; Joint
Comment Request**

AGENCIES: Office of the Comptroller of the Currency (OCC), Treasury; Board of Governors of the Federal Reserve System (Board); and Federal Deposit Insurance Corporation (FDIC).

ACTION: Notice of information collection to be submitted to OMB for review and approval under the Paperwork Reduction Act of 1995.

SUMMARY: In accordance with the requirements of the Paperwork Reduction Act (PRA) of 1995 (44 U.S.C. chapter 35), the OCC, the Board, and the FDIC (the “agencies”) may not conduct or sponsor, and the respondent is not required to respond to, an information collection unless it displays a currently valid Office of Management and Budget (OMB) control number. On November 21, 2011, the agencies, under the auspices of the Federal Financial Institutions Examination Council (FFIEC), requested public comment for 60 days on a proposal to extend, with revision, the Consolidated Reports of Condition and Income (Call Report), which are currently approved collections of information. After considering the comments received on the proposal, the FFIEC and the agencies will proceed with the reporting changes and instructional revisions that had been proposed to take effect March 31, 2012. The FFIEC and the agencies will also implement the two less detailed Call Report revisions that had

been proposed for implementation as of June 30, 2012. As for the two new schedules that also had been proposed to be added to the Call Report beginning June 30, 2012,¹ the FFIEC and the agencies are continuing to evaluate these proposed schedules in light of the comments received. The FFIEC's and the agencies' decisions regarding these two proposed schedules will be the subject of a separate Federal Register notice and any resulting new reporting requirements will not take effect before the September 30, 2012, report date.

DATES: Comments must be submitted on or before [INSERT DATE 30 DAYS FROM DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: Interested parties are invited to submit written comments to any or all of the agencies on the revisions to the Call Report for March 31, 2012, and June 30, 2012, for which the agencies are requesting approval from OMB. All comments, which should refer to the OMB control number(s), will be shared among the agencies.

OCC: You should direct all written comments to: Communications Division, Office of the Comptroller of the Currency, Mailstop 2-3, Attention: 1557-0081, 250 E Street, SW., Washington, DC 20219. In addition, comments may be sent by fax to (202) 874-5274, or by electronic mail to regs.comments@occ.treas.gov. You may personally inspect and photocopy comments at the OCC, 250 E Street, SW., Washington, DC 20219. For security reasons, the OCC requires that visitors make an appointment to inspect comments. You may do so by calling (202) 874-4700. Upon arrival, visitors will be required to present valid government-issued photo identification and to submit to security screening in order to inspect and photocopy comments.

¹ Schedule RI-C, Disaggregated Data on the Allowance for Loan and Lease Losses, and Schedule RC-U, Loan Origination Activity (in Domestic Offices).

Board: You may submit comments, which should refer to “Consolidated Reports of Condition and Income (FFIEC 031 and 041),” by any of the following methods:

- Agency Web Site: <http://www.federalreserve.gov>. Follow the instructions for submitting comments at: <http://www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm>.
- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.
- E-mail: regs.comments@federalreserve.gov. Include reporting form number in the subject line of the message.
- FAX: (202) 452-3819 or (202) 452-3102.
- Mail: Jennifer J. Johnson, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, NW., Washington, DC 20551.

All public comments are available from the Board’s web site at www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm as submitted, unless modified for technical reasons. Accordingly, your comments will not be edited to remove any identifying or contact information. Public comments may also be viewed electronically or in paper in Room MP-500 of the Board’s Martin Building (20th and C Streets, NW.) between 9:00 a.m. and 5:00 p.m. on weekdays.

FDIC: You may submit comments, which should refer to “Consolidated Reports of Condition and Income, 3064-0052,” by any of the following methods:

- Agency Web Site: <http://www.fdic.gov/regulations/laws/federal/propose.html>. Follow the instructions for submitting comments on the FDIC Web site.
- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for

submitting comments.

- E-mail: comments@FDIC.gov. Include “Consolidated Reports of Condition and Income, 3064-0052” in the subject line of the message.
- Mail: Gary A. Kuiper, Counsel, Attn: Comments, Room F-1086, Federal Deposit Insurance Corporation, 550 17th Street, NW., Washington, DC 20429.
- Hand Delivery: Comments may be hand delivered to the guard station at the rear of the 550 17th Street Building (located on F Street) on business days between 7 a.m. and 5 p.m.

Public Inspection: All comments received will be posted without change to <http://www.fdic.gov/regulations/laws/federal/propose.html> including any personal information provided. Comments may be inspected at the FDIC Public Information Center, Room E-1002, 3501 Fairfax Drive, Arlington, VA 22226, between 9 a.m. and 5 p.m. on business days.

Additionally, commenters may send a copy of their comments to the OMB desk officer for the agencies, Shagufta Ahmed, by mail to the Office of Information and Regulatory Affairs, U.S. Office of Management and Budget, New Executive Office Building, Room 10235, 725 17th Street, NW., Washington, DC 20503, or by fax to (202) 395-6974.

FOR FURTHER INFORMATION CONTACT: For further information about the revisions discussed in this notice, please contact any of the agency clearance officers whose names appear below. In addition, copies of the Call Report forms and instructions can be obtained at the FFIEC’s web site (http://www.ffiec.gov/ffiec_report_forms.htm).

OCC: Mary Gottlieb, OCC Clearance Officer, (202) 874-5090, Legislative and Regulatory Activities Division, Office of the Comptroller of the Currency, 250 E Street, SW., Washington, DC 20219.

Board: Cynthia Ayouch, Federal Reserve Board Clearance Officer, (202) 452-3829, Division of Research and Statistics, Board of Governors of the Federal Reserve System, 20th and C Streets, NW., Washington, DC 20551. Telecommunications Device for the Deaf (TDD) users may call (202) 263-4869.

FDIC: Gary A. Kuiper, Counsel, (202) 898-3877, Legal Division, Federal Deposit Insurance Corporation, 550 17th Street, NW., Washington, DC 20429.

SUPPLEMENTARY INFORMATION: The agencies are proposing to revise and extend for three years the Call Report, which is currently an approved collection of information for each agency.

<i>Report Title:</i>	Consolidated Reports of Condition and Income (Call Report).
<i>Form Number:</i>	Call Report: FFIEC 031 (for banks and savings associations with domestic and foreign offices) and FFIEC 041 (for banks and savings associations with domestic offices only).
<i>Frequency of Response:</i>	Quarterly.
<i>Affected Public:</i>	Insured banks and savings associations.

OCC

<i>OMB Number</i>	1557-0081.
<i>Estimated Number of Respondents:</i>	2,035 (1,399 national banks and 636 federal savings associations).
<i>Estimated Time per Response:</i>	National banks: 53.49 burden hours per quarter to file. Federal savings associations: 53.90 burden hours per quarter to file and 188 burden hours for the first

year to convert systems and conduct training.

Estimated Total Annual Burden: National banks: 299,350 burden hours to file.
Federal savings associations: 137,120 burden hours to file plus 119,568 burden hours for the first year to convert systems and conduct training.
Total: 556,038 burden hours.

Board

OMB Number: 7100-0036.

Estimated Number of Respondents: 827 state member banks.

Estimated Time per Response: 55.52 burden hours per quarter to file.

Estimated Total Annual Burden: 183,660 burden hours.

FDIC

OMB Number: 3064-0052.

Estimated Number of Respondents: 4,630 (4,570 insured state nonmember banks and 60 state savings associations).

Estimated Time per Response: State nonmember banks: 40.49 burden hours per quarter to file.
State savings associations: 40.69 burden hours per quarter to file and 188 burden hours for the first year to convert systems and conduct training.

Estimated Total Annual Burden: State nonmember banks: 740,157 burden hours to file.
State savings associations: 9,766 burden hours to file plus 11,280 burden hours for the first year to convert systems and conduct training.

Total: 761,203 burden hours.

The estimated time per response for the quarterly filings of the Call Report is an average that varies by agency because of differences in the composition of the institutions under each agency's supervision (e.g., size distribution of institutions, types of activities in which they are engaged, and existence of foreign offices). The average reporting burden for the filing of the Call Report (excluding the estimated burden for the two new schedules that had been proposed for implementation in June 2012 but are not part of this submission to OMB because the FFIEC and the agencies are continuing to evaluate these proposed schedules) is estimated to range from 17 to 700 hours per quarter, depending on an individual institution's circumstances.²

As approved by OMB, savings associations will convert from filing the Thrift Financial Report (TFR) (formerly OMB Number: 1550-0023) to filing the Call Report effective as of the March 31, 2012, report date (unless an institution elects to begin filing the Call Report before that report date).³ Thus, savings associations will incur an initial burden of converting systems and training staff to prepare and file the Call Report in place of the TFR. Accordingly, the burden estimates above in this notice for savings associations also include the time to convert to filing the Call Report, including implementing the necessary systems changes and training staff on Call Report preparation and filing, which is estimated to average 188 hours per savings association.

In general, larger savings associations and those with more complex operations would likely expend a greater number of hours, on average, than smaller savings associations and those with less complex operations. A savings association's use of

² This estimate does not include the burden associated with the implementation of proposed Schedules RI-C and RC-U.

service providers for the information and accounting support of key functions, such as credit processing, transaction processing, deposit and customer information, general ledger, and reporting should result in lower burden hours for converting to the Call Report. Savings associations with staff having experience in preparing and filing the Call Report should incur lower initial burden hours for converting to the Call Report from the TFR. For further information about the estimated initial burden hours for savings associations' conversion to the Call Report from the TFR, see 76 FR 39986, July 7, 2011.

***Type of Review:* Revision and extension of currently approved collections.**

General Description of Reports

These information collections are mandatory: 12 U.S.C. 161 (for national banks), 12 U.S.C. 324 (for state member banks), 12 U.S.C. 1817 (for insured state nonmember commercial and savings banks), and 12 U.S.C. 1464 (for federal and state savings associations). At present, except for selected data items, these information collections are not given confidential treatment.

Abstract

Institutions submit Call Report data to the agencies each quarter for the agencies' use in monitoring the condition, performance, and risk profile of individual institutions and the industry as a whole. Call Report data provide the most current statistical data available for evaluating institutions' corporate applications, for identifying areas of focus

³ See 76 FR 39981, July 7, 2011, at http://www.ffiec.gov/pdf/FFIEC_forms/FFIEC031_FFIEC041_20110707_ffr.pdf and the Office of Thrift Supervision's CEO Letter #391 dated July 7, 2011, at http://www.ots.treas.gov/_files/25391.pdf.

for both on-site and off-site examinations, and for monetary and other public policy purposes. The agencies use Call Report data in evaluating interstate merger and acquisition applications to determine, as required by law, whether the resulting institution would control more than ten percent of the total amount of deposits of insured depository institutions in the United States. Call Report data are also used to calculate institutions' deposit insurance and Financing Corporation assessments and national banks' and federal savings associations' semiannual assessment fees.

Current Actions

On November 21, 2011, the agencies requested comment on a limited number of proposed revisions to the Call Report (76 FR 72035) for implementation in 2012 that are focused primarily on institutions with \$1 billion or more in total assets. The new data items were proposed to be added to the Call Report as of the June 30, 2012, report date, except for two proposed revisions that would take effect March 31, 2012, in connection with the initial filing of Call Reports by savings associations. These proposed new data items are intended to provide data needed for reasons of safety and soundness or other public purposes and would assist the agencies in gaining a better understanding of institutions' lending activities and credit risk exposures. The agencies also proposed certain revisions to the Call Report instructions that would take effect March 31, 2012.

The Call Report changes in the agencies' November 2011 proposal, the first four of which were proposed for implementation in June 2012 and the final three of which were proposed for implementation in March 2012, included:

- A new Schedule RI-C, Disaggregated Data on the Allowance for Loan and Lease Losses, in which institutions with total assets of \$1 billion or more would report a

breakdown by key loan category of the end-of-period allowance for loan and lease losses (ALLL) disaggregated on the basis of impairment method and the end-of-period recorded investment in held-for-investment loans and leases related to each ALLL balance;

- A new Schedule RC-U, Loan Origination Activity (in Domestic Offices), in which institutions with total assets of \$300 million or more would report, separately for several loan categories, the quarter-end amount of loans (in domestic offices) reported in Schedule RC-C, Loans and Lease Financing Receivables, that was originated during the quarter, and institutions with total assets of \$1 billion or more would also report for these loan categories the portions of the quarter-end amount of loans originated during the quarter that were (a) originated under a newly established loan commitment and (b) not originated under a loan commitment;
- New Memorandum items in Schedule RC-N, Past Due and Nonaccrual Loans, Leases, and Other Assets, for the total outstanding balance and related carrying amount of purchased credit-impaired loans accounted for under Accounting Standards Codification (ASC) Subtopic 310-30 that are past due 30 through 89 days and still accruing, past due 90 days or more and still accruing, and in nonaccrual status;
- New items in Schedule RC-P, 1-4 Family Residential Mortgage Banking Activities, in which institutions with \$1 billion or more in total assets and smaller institutions with significant mortgage banking activities would report the amount of representation and warranty reserves for 1-4 family residential mortgage loans sold (in domestic offices), with separate disclosure of reserves for representations and

warranties made to U.S. government and government-sponsored agencies and to other parties;

- New items in Schedule RC-M, Memoranda, in which savings associations and certain state savings and cooperative banks would report on the test they use to determine their compliance with the Qualified Thrift Lender requirement and whether they have remained in compliance with this requirement.
- Revisions to two existing items in Schedule RC-R, Regulatory Capital, used in the calculation of the leverage ratio denominator to accommodate certain differences between the regulatory capital standards that apply to the leverage capital ratios of banks versus savings associations.
- Instructional revisions addressing the discontinued use of specific valuation allowances by savings associations when they begin to file the Call Report instead of the TFR beginning in March 2012; the reporting of the number of deposit accounts of \$250,000 or less in Schedule RC-O, Other Data for Deposit Insurance and FICO Assessments, by institutions that have issued certain brokered deposits; and the accounting and reporting treatment for capital contributions in the form of cash or notes receivable.

Further details concerning the preceding proposed Call Report changes may be found in Sections II.A through II.G of the agencies' November 2011 Federal Register notice.⁴

⁴ See 76 FR 72038-72045, November 21, 2011

The agencies collectively received comments on their November 2011 Federal Register notice from eight entities: four banking organizations, two bankers' associations, a commercial lending software company, and a news organization. One bankers' association offered the general statement that its "members expressed no concerns with many of the agencies' proposed revisions." None of the commenters specifically addressed the reporting changes proposed for implementation as of March 31, 2012. All eight of the commenters addressed one or both of the two new schedules proposed to be added to the Call Report as of June 30, 2012: Schedule RI-C, Disaggregated Data on the Allowance for Loan and Lease Losses, and Schedule RC-U, Loan Origination Activity (in Domestic Offices). One bankers' association expressed support for the proposed new items for past due and nonaccrual purchased credit-impaired loans, which were also proposed to be added to the Call Report as of June 30, 2012, and recommended "that the agencies adopt these proposed revisions without change." The news organization supported the proposed collection of data on representation and warranty reserves for 1-4 family residential mortgage loans beginning June 30, 2012. The agencies concur with this commenter's suggestion that the instructions for the new items for these reserves clarify that representations and warranties made to mortgage insurers of loans sold fall within the scope of these items.

In addition, the news organization recommended that the agencies consider significantly revising the information they collect on mortgage banking activities in Schedule RC-P by adding further detail in certain areas and deleting certain existing items. These recommendations go well beyond the agencies' current proposal to add new items for representation and warranty reserves to Schedule RC-P. The FFIEC and the

agencies will consider the news organization's ideas in conjunction with their evaluation of other possible Call Report revisions that would be included in a future proposal.

After considering the comments the agencies received, the FFIEC and the agencies are proceeding with the revisions proposed for implementation as of the March 31, 2012, report date as well as the proposed new items for past due and nonaccrual purchased credit-impaired loans and representation and warranty reserves for 1-4 family residential mortgages effective as of the June 30, 2012, report date.⁵ As for the new schedules for disaggregated ALLL data and selected loan origination data proposed for implementation as of June 30, 2012, the FFIEC and the agencies are continuing to evaluate these two proposed schedules in light of the comments received. When the FFIEC and the agencies have decided whether and how to proceed with these proposed new schedules, a separate Federal Register notice will be published and, if applicable, submissions by the agencies will be made to OMB. Because of the additional time necessary for the FFIEC and the agencies to determine the outcome of proposed new Call Report Schedules RI-C and RC-U and to allow sufficient lead time for affected institutions to prepare for any resulting new reporting requirements, the collection of disaggregated ALLL data and selected loan origination data would not take effect before the September 30, 2012, report date.

⁵ In December 2011, the agencies separately requested approval from OMB to add six new items of limited scope and applicability to Call Report Schedule RC-O, Other Data for Deposit Insurance and FICO Assessments that also would take effect June 30, 2012. These six new Call Report Schedule RC-O items are: (a) For large and highly complex institutions, Memorandum item 16, "Portion of loans restructured in troubled debt restructurings that are in compliance with their modified terms and are guaranteed or insured by the U.S. government (including the FDIC)"; (b) For large and highly complex institutions that own another insured depository institution, Memorandum items 17.a through 17.d for the fully consolidated amounts of total deposit liabilities before exclusions, total allowable exclusions, unsecured other borrowings with a remaining maturity of one year or less, and estimated amount of uninsured deposits; and (c) For all institutions that own another insured depository institution, Memorandum item 9.a for the fully consolidated amount of reciprocal brokered deposits. See 76 FR 77315, December 12, 2011.

The list below summarizes each of the Call Report changes included in the agencies' November 2011 proposal along with its implementation status:

- Proposed new Schedule RI-C, Disaggregated Data on the Allowance for Loan and Lease Losses: Remains under review by the FFIEC and the agencies; not to be implemented before September 30, 2012;
- Proposed new Schedule RC-U, Loan Origination Activity (in Domestic Offices): Remains under review by the FFIEC and the agencies; not to be implemented before September 30, 2012;
- New Memorandum items in Schedule RC-N, Past Due and Nonaccrual Loans, Leases, and Other Assets: Implement June 30, 2012;
- New items in Schedule RC-P, 1-4 Family Residential Mortgage Banking Activities: Implement June 30, 2012;
- New items in Schedule RC-M, Memoranda: Implement March 31, 2012;
- Revisions to two existing items in Schedule RC-R, Regulatory Capital: Implement March 31, 2012;
- Instructional revisions addressing the discontinuation of certain valuation allowances by savings associations; the reporting of certain deposit accounts in Schedule RC-O; and the accounting and reporting treatment for certain capital contributions: Implement March 31, 2012.

Consistent with longstanding practice, for the March 31, 2012, and June 30, 2012, report dates, as applicable, institutions may provide reasonable estimates for any new or revised Call Report item initially required to be reported as of that date for which the requested information is not readily available.

Request for Comment

Public comment is requested on all aspects of this joint notice. Comments are invited on:

- (a) Whether the proposed revisions to the collections of information that are the subject of this notice are necessary for the proper performance of the agencies' functions, including whether the information has practical utility;
- (b) The accuracy of the agencies' estimates of the burden of the information collections as they are proposed to be revised, including the validity of the methodology and assumptions used;
- (c) Ways to enhance the quality, utility, and clarity of the information to be collected;
- (d) Ways to minimize the burden of information collections on respondents, including through the use of automated collection techniques or other forms of information technology; and
- (e) Estimates of capital or start up costs and costs of operation, maintenance, and purchase of services to provide information.

Comments submitted in response to this joint notice will be shared among the agencies.

All comments will become a matter of public record.

Dated: February 9, 2012

Michele Meyer,
*Assistant Director, Legislative and Regulatory Activities Division,
Office of the Comptroller of the Currency.*

Board of Governors of the Federal Reserve System,

Robert deV. Frierson
Deputy Secretary of the Board.

Dated at Washington, D.C., this 10 day of February , 2012.

FEDERAL DEPOSIT INSURANCE CORPORATION

Robert E. Feldman
Executive Secretary

Billing Codes

OCC: 4810-33-P 1/3
Board: 6210-01-P 1/3
FDIC: 6714-01-P 1/3

[FR Doc. 2012-3735 Filed 02/16/2012 at 8:45 am; Publication Date: 02/17/2012]